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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
09/990,312	11/23/2001	Martin P. Madden	2771 CON	1194

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EXAMINER	
JEANTY, ROMAIN	

ART UNIT	PAPER NUMBER
3623	13

DATE MAILED: 02/26/2003

Please find below and/or attached an Office communication concerning this application or proceeding.

Office Action Summary	Application No.	Applicant(s)	
	09/990,312	MADDEN, MARTIN P.	
	Examiner	Art Unit	
	Romain J anty	3623	

-- The MAILING DATE of this communication app ars on th cov r sheet with th correspondence address --

Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If the period for reply specified above is less than thirty (30) days, a reply within the statutory minimum of thirty (30) days will be considered timely.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133).
- Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

1)☒ Responsive to communication(s) filed on *09 December 2002* .

2a)☐ This action is **FINAL**. 2b)☒ This action is non-final.

3)☒ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

4)☒ Claim(s) *1-10* is/are pending in the application.

4a) Of the above claim(s) _____ is/are withdrawn from consideration.

5)☐ Claim(s) _____ is/are allowed.

6)☒ Claim(s) *1-10* is/are rejected.

7)☐ Claim(s)

is/are objected to.

8)☐ Claim(s) _____ are subject to restriction and/or election requirement.

Application Papers

9)☐ The specification is objected to by the Examiner.

10)☐ The drawing(s) filed on _____ is/are: a)☐ accepted or b)☐ objected to by the Examiner.

Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).

11)☐ The proposed drawing correction filed on _____ is: a)☐ approved b)☐ disapproved by the Examiner.

If approved, corrected drawings are required in reply to this Office action.

12)☐ The oath or declaration is objected to by the Examiner.

Priority under 35 U.S.C. §§ 119 and 120

13)☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).

a)☐ All b)☐ Some * c)☐ None of:

1.☐ Certified copies of the priority documents have been received.

2.☐ Certified copies of the priority documents have been received in Application No. _____ .

3.☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

* See the attached detailed Office action for a list of the certified copies not received.

14)☐ Acknowledgment is made of a claim for domestic priority under 35 U.S.C. § 119(e) (to a provisional application).

a) ☐ The translation of the foreign language provisional application has been received.

15)☒ Acknowledgment is made of a claim for domestic priority under 35 U.S.C. §§ 120 and/or 121.

DETAILED ACTION

1. Claims 1-11 are presented for examination.

Double PAtenting

2. The nonstatutory double patenting rejection is based on a judicially created doctrine grounded in public policy (a policy reflected in the statute) so as to prevent the unjustified or improper timewise extension of the "right to exclude" granted by a patent and to prevent possible harassment by multiple assignees. See *In re Goodman*, 11 F.3d 1046, 29 USPQ2d 2010 (Fed. Cir. 1993); *In re Longi*, 759 F.2d 887, 225 USPQ 645 (Fed. Cir. 1985); *In re Van Ornum*, 686 F.2d 937, 214 USPQ 761 (CCPA 1982); *In re Vogel*, 422 F.2d 438, 164 USPQ 619 (CCPA 1970);and, *In re Thorington,* 418 F.2d 528, 163 USPQ 644 (CCPA 1969).

A timely filed terminal disclaimer in compliance with 37 CFR 1.321(c) may be used to overcome an actual or provisional rejection based on a nonstatutory double patenting ground provided the conflicting application or patent is shown to be commonly owned with this application. See 37 CFR 1.130(b).

Effective January 1, 1994, a registered attorney or agent of record may sign a terminal disclaimer. A terminal disclaimer signed by the assignee must fully comply with 37 CFR 3.73(b).

3. Claims 1, 3-10 are rejected under the judicially created doctrine of obviousness-type double patenting as being unpatentable over claims 10-20 of U.S. Patent No. 6,345,262, and although the conflicting claims are not identical, they are not patentably distinct from each other

because they recite elements that are substantially the same and that would have been obvious to one of ordinary skill in the art.

Claim 1 of the present invention is substantially the same as claim 1 of U.S. Patent No. 6,345,262 with the exception of deleting "one or more, that the timing of equity participation with the lender is indeterminable, occurs prior to the maturity data, and is controlled by the borrower". However, deleting these limitations would have been obvious to a person of ordinary skill in the art because the same end result of implementing a mortgage plan would be produced.

Claim 10 of the present invention is substantially the same as claim 9 of U.S. Patent No. 6,345,262 with the exception of deleting "one or more, that the timing of equity participation with the lender is indeterminable, occurs prior to the maturity data, and is controlled by the borrower". However, deleting these limitations would have been obvious to a person of ordinary skill in the art because the same end result of implementing a mortgage plan would be produced.

Claim3 recites in a word for word manner the limitations of claim 2 of prior U.S. Patent No 6,345,262.

Claim 4 recites in a word for word manner the limitations of claim 3 of prior U.S. Patent No 6,345,262.

Claim 5 recites in a word for word manner the limitations of claim 4 of prior U.S. Patent No 6,345,262.

Claim 6 recites in a word for word manner the limitations of claim 5 of prior U.S. Patent No 6,345,262.

Claim 7 recites in a word for word manner the limitations of claim 6 of prior U.S. Patent No 6,345,262.

Claim 8 recites in a word for word manner the limitations of claim 9 of prior U.S. Patent No 6,345,262.

4. Claim 2 is rejected under 35 U.S.C. 101 as claiming the same invention as that of claim 1 of prior U.S. Patent No.6,345,262. This is a double patenting rejection.

Claim 2: Claims 1 and 2 of the present application claims substantially the same invention as that of claim 1 of prior U.S. Patent No. 6,345,262.

Claim Objections

5. Claim 22 is objected to because of the following informalities: A --.-- is missing after date in line 10. Appropriate correction is required.

Claim Rejections - 35 U.S.C. § 112

6. Claims 1, 10 are rejected under 35 U.S.C. 112, second paragraph, as being indefinite for failing to particularly point out and distinctly claim the subject matter which applicant regards as the invention.

As per claim 1, the word "may" on line 11 renders the claim indefinite because it is unclear whether the limitation (s) following the phrase are part of the claimed invention. Appropriate correction is needed.

As per claim 10, the word "may" on line 13 renders the claim indefinite because it is unclear whether the limitation (s) following the phrase are part of the claimed invention. Appropriate correction is needed.

Claims 2-8 depend on claim 1 and they all inherit the same deficiency as the parent base claim.

Claim Rejections - 35 U.S.C. § 103

7. The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

> (a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole

would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negatived by the manner in which the invention was made.

8. Claims 1-10 are rejected under 35 U.S.C. 103(a) as being unpatentable over Lloyd (US Patent No. 4,876,648) in view of Iezman "The Shared Appreciation Mortgage and the Shared Equity Program".

As per claims 1 and 10, Lloyd discloses a computerized mortgage system which provides mortgage plans (see abstract) which reads on "using a computer to prepare a mortgage document but fails to explicitly an equity participation mortgage obligation and which specifies that a lender shares in a predetermined percentage of realized appreciation on subsequent sale of the asset which is the subject of the mortgage", but Lloyd fails to disclose "an equity participation mortgage obligation and which specifies that a lender may share in a predetermined percentage of realized appreciation on subsequent sale of the asset which is the subject of the mortgage". However, Iezman discloses a system for implementing and administering a mortgage plan where a lender receives a percentage upon a sale of a property (page 44, first column and page 47, second column). It would have been obvious to a person of ordinary skill in the art at the time the invention was made to combine an equity participation mortgage obligation and which specifies that a lender may share in a predetermined percentage of realized appreciation on subsequent sale of the asset which is the subject of the mortgage as taught by Iezman into Lloyd. One would have been motivated to use this combination because it would provide Lloyd the capability to provide long-term financing with any type of mortgage plan offered to his clients, thereby assuring attractive and safe financial return.

As per claim 2, Lloyd discloses a system for implementing and administering a mortgage plan which discloses a borrower not paying payments on principle (Col. 13, lines 28-40) which reads on "preparing mortgage documents which do not require the borrower to pay interest on the mortgage principle".

As per claim 3, Lloyd discloses a system for implementing and administering a mortgage plan which recites preparing mortgage documents (see claim 1 above), but fails to explicitly disclose "the sale of an asset in the event of a default in payments by the borrower". However, it would have been obvious to a person of ordinary skill in the art at the time of the applicant's invention to combine the feature of selling the asset in the event of a default in payments for the motivation of preventing the asset such as a house from going into foreclosure.

As per claim 4, Lloyd discloses a system for implementing and administering a mortgage plan which prepares mortgage documents but fails to explicitly disclose "an equity participation mortgage obligation and which specifies that a lender may share in a predetermined percentage of realized appreciation on subsequent sale of the asset which is the subject of the mortgage". However, Iezman discloses a shared appreciation mortgage and a shared equity program which recites where a lender receives a percentage upon a sale of an asset (property) (page 44, first column and page entire 47, second column) reads on "mortgage documents which limit the lender's predetermined percentage of the realized appreciation of the subsequent asset sale to a specified percentage of the total realized appreciation value" which reads on "an equity participation mortgage obligation and which specifies that a lender may share in a predetermined percentage of realized appreciation on subsequent sale of the asset which is the subject of the mortgage". It would have been obvious to a person of ordinary skill in the art at the time the

invention was made to combine an equity participation mortgage obligation and which specifies that a lender may share in a predetermined percentage of realized appreciation on subsequent sale of the asset which is the subject of the mortgage as taught by Iezman into Lloyd. One would have been motivated to use this combination because it would provide Lloyd the capability to provide long-term financing with any type of mortgage plan offered to his clients.

As per claim 5, Lloyd discloses the method of claim 1, further comprising the steps of:

Using a computer system to calculate the average mortgage principal outstanding during the amortization period (col. 9, lines 59-68). Furthermore, the combination of Lloyd and Iezman fail to explicitly disclose "preparing mortgage documents which limit the lender's predetermined percentage of the realized appreciation on the subsequent asset sale to an amount no greater than an amount equal to a predetermined percentage annual return on the average mortgage principal outstanding during the amortization period, plus a specified percentage of the total amortization period return thereafter". It would have been obvious to a person of ordinary skill in the art in the art to include this feature in Lloyd and Iezman for the motivation of regulating interests that will be charged to a borrower for a comprehensive mortgage plan.

As per claim 6, the combination of Lloyd and Iezman fails to disclose calculating a minimum total return for the lender which may exceed the predetermined. However, it would have been obvious to a person of ordinary skill in the art at the time of the applicant's invention to calculate a minimum total return for the lender which may exceed the predetermined percentage of the realized appreciation sale of the asset for the motivation that the lender receives a higher interest in the case where the value of the asset is assessed at a higher value.

As per claim 7, the combination of Lloyd and Iezman fails to disclose a mortgage document specifying a termination date which is synchronous with the sale of the asset. It would have been obvious to a person of ordinary skill in the art at the time of the applicant's invention to include a mortgage document specifying a termination date which is synchronous with the sale of the asset into Lloyd and Iezman for the motivation of guaranteeing payments of the investments at the end of the mortgage term.

As per claim 8, Lloyd discloses a mortgage document specifying that the repayment of any existing principal (col. 10, lines 42-44) but fails to explicitly disclose a mortgage document being synchronized with the sale of the asset subject to the mortgage. It would have been obvious to a person of ordinary skill in the art at the time of the applicant's invention to include mortgage document specifying that the repayment of any existing principal is synchronized with the sale of the asset subject to the mortgage into Lloyd for the motivation of ensuring proper repayment from a borrower when liquidating the asset at the end of the mortgage term.

As per claim 9, the combination of loyd and Iezman fails to explicitly disclose synchronizing the payments of all obligations owed by the borrower to the lender with the sale of the asset subject to the mortgage. It would have been obvious to a person of ordinary skill in the art at the time of the applicant's invention to include this feature of synchronizing the payments of all obligations owed by the borrower to the lender with the sale of the asset subject to the mortgage for the motivation of assuring a complete return of the investment to the lender at the time asset is liquidated.

Conclusion

Any inquiry concerning this communication or earlier communications from the examiner should be directed Romain Jeanty whose telephone number is (703) 308-9585. The examiner can normally be reached on weekdays from 7:30 a.m to 6:00 pm.

If attempts to reach the examiner are not successful, the examiner's supervisor, Tariq R Hafiz can be reached at (703) 305-9643.

Any inquiry of a general nature or relating to the status of this application or preceding should be directed to the group receptionist whose telephone number is (703) 308-1113.

Any response to this action should be mailed to:

Commissioner of Patents and Trademarks

Washington, D.C 20231

or faxed to:

(703) 305-7687

Hand delivered responses should be brought to Crystal Park 5, 2451 Crystal Drive, Arlington VA., seventh floor receptionist.

February 20, 2003.

RJ

Romain Jeanty
Art Unit 3623